Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 EB-07 AID-05 DODE-00 EUR-12 OES-06

SAL-01 DLOS-06 FEA-01 INT-05 CIAE-00 INR-07 NSAE-00

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DRAFTED BY ARA/AND/E - MR. ALLITTO:LEE APPROVED BY ARA - HWSHLAUDEMAN

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FM SECSTATE WASHDC

TO AMEMBASSY QUITO

INFO AMEMBASSY LIMA

AMEMBASSY PANAMA

AMEMBASSY SANTIAGO

AMCONSUL GUAYAQUIL

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

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E.O. 11652: GDS

TAGS: ECON, EPAP, BDIS, MASS, PFOR, PLOS

SUBJECT: ECUADOR - US ISSUES OF THE DAY

1. ECUADOREAN AMBASSADOR TO THE US JOSE CARDENAS CALLED ON ASSISTANT SECRETARY SHLAUDEMAN ON SEPTEMBER 14 TO DISCUSS THE FOLLOWING ISSUES BEFORE RETURNING TO ECUADOR ON SEPTEMBER 15 FOR CONSULTATIONS:

A. THE TRADE ACT OF 1974

CARDENAS WANTED TO KNOW IF THERE WAS ANY HOPE FOR THE BENT-SEN AMENDMENT GETTING THROUGH CONGRESS THIS YEAR, AND WAS TOLD THAT THERE WAS VERY LITTLE HOPE OF GETTING IT THROUGH THE HOUSE EVEN IF IT GETS OUT OF THE SENATE. CONFIDENTIAL

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B. FOREIGN MILITARY SALES FINANCING

THE GOVERNMENT OF ECUADOR (GOE) GOT \$10 MILLION IN FY 76, AND WOULD LIKE \$20-30 MILLION IN FY 77 AND 78. CARDENAS WAS TOLD THAT SUCH A FIGURE WOULD BE VERY DIFFICULT TO OBTAIN FOR ECUADOR.

C. SOVIET MILITARY SALES TO PERU

CARDENAS SAID THE GOE WAS VERY CONCERNED ABOUT THE ARMS

BUILD-UP IN PERU, AND ABOUT SOVIET INFLUENCE THERE. HE SAID THAT HE WOULD WANT TO DISCUSS THIS ISSUE AGAIN WITH SHLAUDEMAN AFTER CARDENAS RETURNED TO WASHINGTON, AND SHLAUDEMAN AGREED.

D. PROPOSED PANAMA CANAL TOLL INCREASES

CARDENAS SAID THAT BOLIVIA, CHILE, ECUADOR, AND PERU WERE GETTING TOGETHER TO MAKE A JOINT PRESENTATION OPPOSING INCREASES BECAUSE OF THE DAMAGE THAT WOULD RESULT IN THEIR TRADE WITH EUROPE AND THE EAST COAST OF THE US. SHLAUDEMAN ASKED FOR A COPY OF THE WRITTEN STATEMENT SO HE COULD USE IT TO STUDY THIS ISSUE.

E. THE TUNA WAR

CARDENAS SAID THE GOE WAS HOPING THERE WOULD CONTINUE TO BE NO SEIZURES OF US TUNA BOATS, AND WOULD LIKE TO KNOW WHAT WASHINGTON AND SAN DIEGO WERE THINKING ABOUT THE UPCOMING FISHING SEASON. HE WAS TOLD THAT THE DEPARTMENT ALSO HOPES FOR A SEIZURE-FREE SEASON, AND WILL BE CHECKING WITH THE AMERICAN TUNABOAT ASSOCIATION IN SAN DIEGO NEXT MONTH TO GET ITS LATEST ASSESSMENT.

F. GULF OIL CORP.

CARDENAS SAID THE GOE DID NOT WANT TO BUY OUT GULF, BUT THAT GULF WAS FORCING SUCH A CONCLUSION. THE GOE WANTS TO FIND A COMPROMISE, AND WANTS TO MAINTAIN ITS GOOD RECONFIDENTIAL CONFIDENTIAL

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LATIONS WITH THE USG. SHLAUDEMAN SAID THE USG FEELS THE SAME WAY, AND CAUTIONED THE GOE AGAINST PRECIPITOUS ACTION THAT IT MIGHT REGRET LATER.

G. LAW OF THE SEA

CARDENAS WONDERED IF THERE HAD BEEN ANY PROGRESS AT ALL IN NEW YORK, AND SHLAUDEMAN SAID THAT SMALL ADVANCES HAD BEEN MADE.

2. COMMENT: CARDENAS DID NOT REVEAL WHETHER HE WAS BEING CALLED BACK TO QUITO FOR CONSULTATIONS OR HE WAS GOING ON HIS OWN THE WAY HE DID LAST MONTH. ROBINSON

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